

SECRET

From a report of the Rustungskommando Metz of 19 July 1940:

The power (electric) economy of the Lorraine district (former French Moselle district) is, for the most part, based on blast furnace gas, which is a by-product in large quantities of the blast furnaces and which is converted into electric current by means of large gas engine centers. Since the blast furnaces are idle, this source of energy is gone. This means that the major part of the other industries can resume operations only after the iron and steel works have at least begun to operate, which, in turn, depends on the functioning of railroad transportation. A prerequisite for the beginning of operations is the ensurance of a very large ore supply and a large labor force which at present is not available.

Idleness of the coking plants at the iron and steel works caused a gas shortage (low pressure) in the city of Metz which may be expected to get worse as the population gradually returns.

Condition of iron and steel works and mines in the Lorraine area

(15 August 1940):

There are 55 blast furnaces, two of which went back into operation a few days ago.

<u>Plants or Plant Groups</u>	<u>Steel Works</u>					
	<u>Coking Plants</u>	<u>Blast Furnaces</u>	<u>Thomas Furnaces</u>	<u>S. Martin Furnaces</u>	<u>Electric Furnaces</u>	<u>Rolling Mills</u>
Wendel (Hay- ingen and Grossmoevern	2	16	2	1	--	3
Rombach incldg. Maizieres	--	12	1	--	1	1
Hagendingen (most modern)	1	6	1	1	--	1
Kneuttingen	--	10	1	--	--	1
Diedenhofen (Carlschette)	1	4	1	1	1	1
Ueckingen	--	3	--	--	--	--
Deutch-Oth	--	4	--	--	--	--
	4	55	6	3	2	7

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All iron and steel works have their own mines.

The complete shutdown of the heavy industry in Lorraine including all blast furnaces, steel works, rolling mills, subsidiaries, and electric plants was caused by the absence of coke import from Germany in September 1939 and from Belgium and Northern France in May 1940.

Public and industrial power plants are damaged, but the important problem is not repair, but fuel. The industrial power plants are, for the most part, geared for industrial consumption, but some of them can also divert current. The Wendel Works cannot participate in an exchange of power because they have three-phase A.C. of 25 cycles, as compared with 50 cycles at the other plants.

The labor force of the mines and steel works is available. They have little work and lack money, food, and firewood.

There is no railroad traffic either to France, Luxemburg, the Saar area, or to Alsace. A connection to Germany is expected to be constructed in August. The present detours slow down the turnaround time and require a greater than normal number of freight cars. After the heavy industry resumes operations, a car shortage may be expected, unless the direct connections will be reconstructed.

Speedy reconstruction of the canals to Strassburg and the Saar area would relieve the railroads. Most plants have direct canal connections. The Wendel Works alone transported about 1,000,000 tons annually by water.

The starting up of more blast furnaces and thus the resumption of operations at the steel and rolling mills and their subsidiaries as well as at more power plants, will be possible only when quantities of fuel have been delivered. Full operation of 30 blast furnaces requires roughly 3 million tons of coke annually. Since Germany can spare only very little coke, Belgium and Northern France will have to deliver it. At present, ore is in abundant supply and beginning middle of August can be transported by rail to the Saar area where there is a shortage. Wendel is storing about 100,000 tons of furnace dust (ore and coke dust) for the Saar area.

Summary: Until the middle of August there will be only repair work, operation of 2 blast furnaces, and some ore mining. Beginning in the middle of August, there will be removal of ores, rolled iron, Thomas slag, and furnace dust. Beginning of operations at the Thomas slag mills. After the arrival of coke, the blast furnaces will be starting up. A daily delivery of 250 tons will take care of one blast furnace. Simultaneously, there will be a beginning of operations at the furnace dust power plant, steel works, rolling mills, and subsidiaries. The main problem remains the transportation situation and the procurement of fuel.

Transportation: in Lorraine is at present (Aug 40) entirely inadequate. The main problem are the railroads whose main lines have been interrupted by the demolition of bridges and tunnels. Navigation on the Mosel Canal has not been resumed due to much destruction to the locks, weirs, and dikes. Repairs will take an estimated 2-3 months.

Power in Alsace-Lorraine has lost about 4-500,000 kw through war and destruction by the French. It will take 1 to 1½ years to repair the damage. At present, 15,000 kw are delivered from Belgium and 2,000 kw from Switzerland, all of which is used to drain the mines. Smaller power plants now in operation will have to close down soon if they do not receive any coal. The large power plants of La Houve, Karlingen, Simonschacht Strassburg, inter alia, depend on coal, Kembs on water. Kembs, at present completely destroyed, can deliver 110,000 kw alone.

The financial situation is influenced by the fact that former bank connections are interrupted. Some of the French banks, with all their files and cash currency, were removed to the French interior. In order to get cash for their great backlog on wages and for current expenses, the steel works have to sell their supplies. No credit loans on supplies are possible at this time. On 12 August wages were raised by 80 percent and rents by 50 percent, thus equalizing them approximately to conditions in Greater Germany.

The food supply may generally be considered adequate.